SUPREME COURT OF THE UNITED STATES.

NO. 162.

REED PECK AS ADMINISTRATOR OF THE ESTATE OF GEORGE W. PECK, DECEASED, *Appellant*,

vs.

TRUMAN D. COLLINS.

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Counsel for Appellant.

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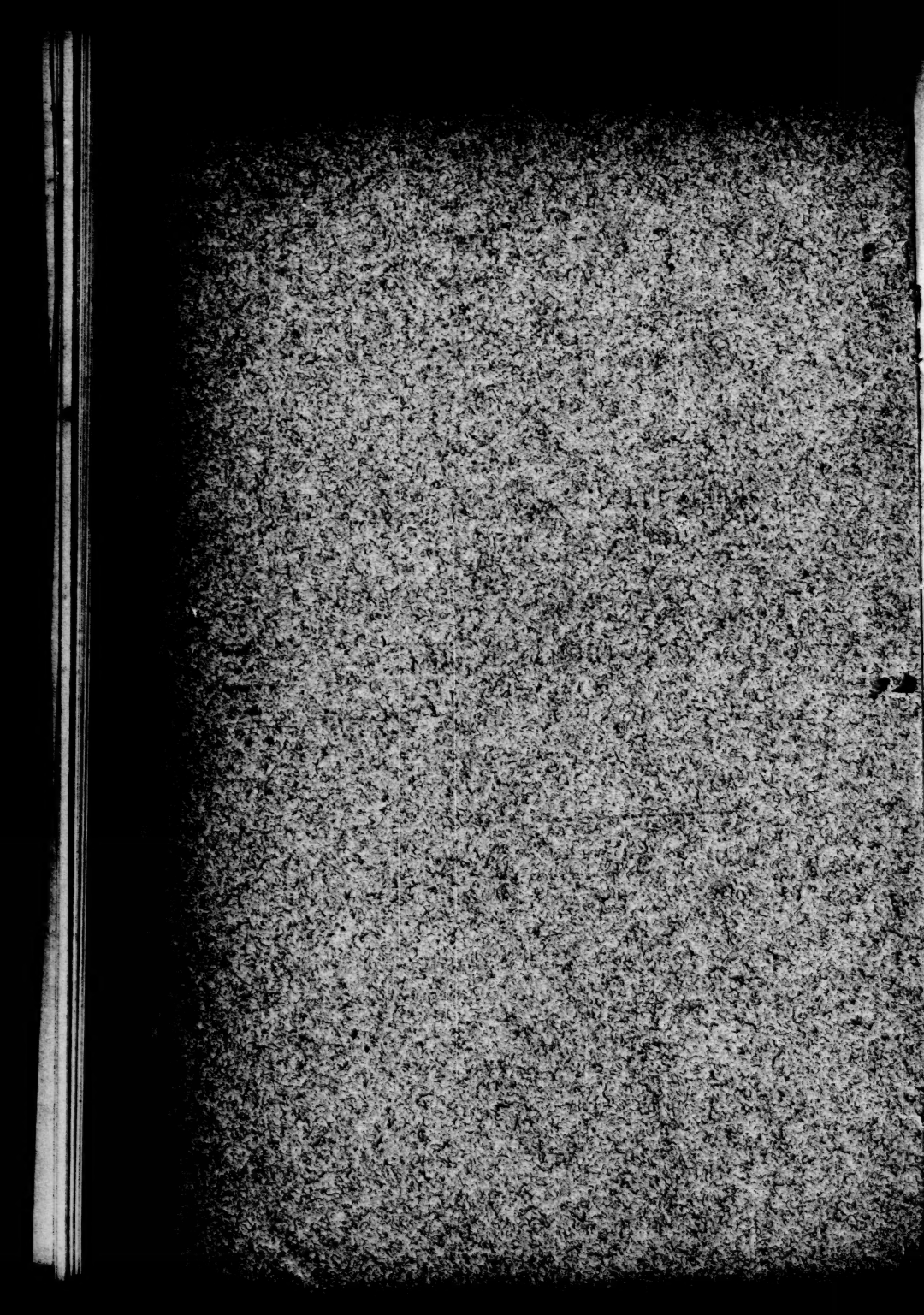

SUPREME COURT

—OF THE—

UNITED STATES.

NO. 162.

REED PECK, as Administrator of George W. Peck, deceased, Plaintiff in Error,

vs.

TRUMAN D. COLLINS.

APPELLANT'S BRIEFS.

This is an appeal from a judgment of the Court of Appeals of the State of New York, affirming a judgment of the General Term of the Supreme Court of that State, affirming a judgment of non-suit granted at the Broome County Circuit Nov. 24, 1874. (Fols. 113, 3-6, 84.)

The facts of the case, as they appeared on the trial, are as follows: On the 24th day of October, 1865, Byron Mudge, of Vineland, N. J., obtained Letters Patent for a new mode of sinking wells, (fol. 59.) By an assignment bearing date January 2, 1866, Mudge assigned to Preston R. Peck and George W. Peck an undivided half interest in the patent, (fols. 60, 59.)

Documentary evidence was put in by the defendant, which tended to show that in March, 1866, Mudge applied to the Patent Office for a re-issue of his patent, and deposited his Letters Patent in the Patent Office on such application, (fols. 24, 25, 28, 56); that during said month of March an interference was declared between Mudge's application for re-issue, the application of N. W. Green for a patent, and a patent already granted to James Suggett, (fols. 28, 29, 58), and that during the latter part of the month of April and early part of the month of May, 1866, testimony for "many days" was taken on this interference case at Cortland, New York, (affidavit of Reed Peck, fol. 32), where the plaintiff and the defendant (fol. 18), James Suggett, (fol. 28), and Arthur Holmes, Mudge's attorney on the application, resided, (fol. 30), and where the invention originated.

On the 24th day of April, 1866, Byron Mudge, Preston R. Peck and George W. Peck, by a contract under seal, executed by them and Truman D. Collins, the defendant agreed with said Collins to sell to him, and they did thereby sell to him, in consideration of the payment to them by said Collins of $4,000.00, the receipt of which was thereby acknowledged, an undivided one-fourth interest in the patent, and in all the proceeds from the sale of said patent then in the hands of agents selling the same. By the same instrument the parties were to, and did in effect, become partners in the management and disposition of the patent. (See contract, fol. 60.)

Four days after, on the 28th day of April, 1866, George W. Peck (the original plaintiff herein) executed and delivered to T. D. Collins (defendant) an instrument in writing, by which, in consideration of the payment to said G. W. Peck by said Collins of the sum of

$1,500.00 the receipt of which was thereby acknowledged he agreed to sell to said Collins an undivided three-thirty-second part of the proceeds of the sale of territory then in the hands of agents selling the same; also an undivided three thirty-second part of the unsold territory of said patent. Said Peck also bound himself to give to said Collins "a deed of an undivided three thirty-second 3-32 part of the territory remaining unsold whenever such deed shall be required," (fol. 59.) The consideration mentioned in said instrument was the note of T. D. Collins for $1,500.00, delivered to G. W. Peck at the time of the execution of the agreement, (fol. 62.)

Both of the foregoing contracts were entered into by the defendant with full knowledge of the interference proceedings on the application for re-issue, (fols. 65, 81.)

Evidence was closed on these interference proceedings on or before June 7, 1866, (affidavit of Arthur Holmes, fol. 34); arguments thereon were served on or before June 22, 1866, (Letter of Arthur Holmes, fol. 35.) A decision adverse to Mudge's re-issue was rendered thereon by the primary examiner on or before June 27, 1866, fols. 35, 36.) On the 11th of June, 1866, George W. Peck and Truman D. Collins executed another agreement in writing, modifying the agreement of April 28, 1866, (fol. 17.) This instrument, after reciting, among other things, the execution of the contract of April 28, 1866, the payment of the $1,500.00 on the same, that said contract of April 28 was given "after the Letters Patent had been surrendered up for re-issue, and in ignorance of the fact that under certain circumstances the letters would not be returned to the owner of said patent," provided among other things that said Collins

would pay to said Peck the sum of "$1,500.00 when said Peck should notify him of his readiness to fulfill the said contract by deeding to said Collins his interest in said patent, or any re-issue which may be granted on said application." Under the foregoing contract, and as a consideration for the same on the part of the plaintiff, the $1,500 00 note given by Collins to the plaintiff as the consideration on Collins' part for the contract or April 28, was restored to said Collins by said G. W. Peck, (fols. 62, 63.)

On or before the 8th of March, 1869, the plaintiff notified the defendant that he was ready to give the defendant a deed, as the contract of June 11, 1866, required, (fols. 19, 64.)

On the 6th day of July, 1866, Preston R. Peck and George W. Peck, delivered to the defendant two thousand dollars, in seven thirty bonds, (fol. 63,) and in consideration of such delivery to him the defendant executed and delivered to said Pecks the following contract.

"Received July 6th 1866, of Preston R. Peck and "George W. Peck, two thousand ($2,000) dollars, in sev-"en-thirty bonds, said bonds to be returned to Preston R. "Peck and G. W. Peck, as soon as Byron Mudge "succeeds in getting a re-issue of a patent for putting "down wells, now in the Patent Office, or provided the "old patent is returned, but if said patent is not re-issued "or returned, then T. D. Collins is to keep the bonds and "surrender his article he has for the purchase of an in-"terest in said patent.

T. D. Collins, (fol. 16)."

The Letters Patent were returned in January, 1868, (Byron Mudge, fol's. 18, 81, 82. George W. Peck, 79, 80. Reed Peck, 19, 20, 82.) This testimony is not contradicted.

On the 30th day of August, 1871, Preston R. Peck duly assigned to George W. Peck, all of his interest in and rights under the contract of July 6th 1866, (fol. 16.) The plaintiff sues upon the two last contracts, bearing date June 11th, 1866, (fol. 17,) and July 6th, 1866, (fol. 16,)respectively, and seeks to recover $1,500.00, with interest from March 8th, 1866, which he claims is due him under the last clause of the coutract of June 11th, 1866, and $2,000.00 with interest which he claims is due him under the contract of July 6th, 1866. In regard to the $1,500.00, the plaintiff insists that proof of the return of the Letters Patent and notification to the defendant that the plaintiff was ready to give a deed as required by the contract of June 11th, entitled him to recover. With regard to the $2,000.00 and interest, the plaintiff claims that proof of the return of the Letters Patent entitled him to recover.

To both of these claims the defendant replies that although the Letters Patent have been returned, the patent has never been returned, because the application for surrender and re-issue, mistakenly termed surrender, was a cancellation of the patent, and that consequently the Letters Patent could never have been regularly and legally returned. Upon this sole ground the plaintiff was non suited on the authority of *Moffit* vs. *Garr*, 1 *Black* 273, [fol. 84.] The Court of Appeals does not in terms approve or disapprove this doctrine, but decides against the existence and validity of Mudge's patent, on the ground that "the decisions in the interference pro-"ceedings adverse to the priority of Mudge's patent in-"validated his patent and all interest therein, except the "right to bring an action in equity under the United "States Statutes, and that the possession of the certificate "or patent by the plaintiffs intestate after such decision

"did not establish such a return of the patent right as "the contracts upon which this action was brought con- "templated, as the contracts required, the return of "Mudge's patent as an existing patent-right, and the adju- "dications invalidated the same." [Fols. 113, 114, 715.] "This decision of the Court of Appeals is a part of the "judgment of the Court, [fol. 115.]

It will, therefore, be seen that there can possiblybe but two questions for the consideration of this Court: First, Did the decisions on the interference proceedings invalidate Mudge's patent? Second, If such decisions did not invalidate Mudge's patent, was the patent killed by the application for surrender and re-issue, mistakenly termed surrender?

Assignment of Errors.

The Court below erred:

First, in holding that "the decisions in the interfer- "ence proceedings adverse to the priority of Mudge's "patent invalidated his patent and all interest therein, ex- "cept the right to bring an action in equity under the "United States statute, and that the possession of the cer- "tificate or patent by the plaintiffs intestate, after such de- "cision did not establish such a return of the patent-right "as the contracts upon which the action was brought con- "templated, as the contracts required the return of "Mudge's patent as an existing patent-right, and the adju- "cations invalidated the same." First, for the reason that no decisions on such interference proceedings were proven in the case. Second. for the reason that the evi- dence in regard to said interference decisions shows that they were not adverse to the priority of Mudge's patent, and had nothing to do with his patent, but were simply adverse to the granting of Mudge's application for a re-

issue of his patent, and third, for the reason that the decision of the Commissioner, and that of the Judge on appeal from the Commissioner, did not, and could not, affect the validity of Mudge's patent already granted.

Second the Court below erred in holding that the un successful application for re-issue made by Mudge constituted a surrender and cancellation of his patent for the reason that no surrender takes place unless the re-issue be granted, and as the re-issue was refused, there never has been any surrender of the patent.

ARGUMENT FOR APPELLANT.

There never has been any decision of the Patent Office in these interference proceedings in any way affecting the validity of Mudge's Old Patent.

The interference in this case was between Mudge's application for a re-issue of his patent, Suggett's patent and Green's application. [Letter of E. Bibb, fol. 28. Title of the proceedings in the Patent Office and Letter of Byron Mudge, fol. 37. Letter of Commissioner of May 16, fol. 33.] The Court will discover by an examination of this documentary evidence, that none of the decisions on that interference proceeding are in evidence in this case. The defendant has gone to the Patent Office and from the loose and inaccurate correspondence of agents, parties and clerks in the Patent Office, ingeniously selected everything that could possibly help him and mislead the Court but in all this mass of irrelevant trash, not one decision of the Patent Office or of the Judge of the Supreme Court of the District of Columbia is to be found. The decision of the Primary Examiner, the decision of the Board of Examiners in Chief, the decision of the Commissioner, the decision

of the Supreme Court of the District of Columbia, all are missing. All of this evidence on the question of these decisions is secondary and selected. But even this permits us to learn that Mudge's agent in order to obtain Mudge's original patent, without Mudge's consent filed a disclamer of Suggett's patent, [affidavit of Reed Peck, fol. 38, 39. Letter of S. D. Gale, fol. 33.] Mudge's old patent was for a new mode of sinking wells. [Agreement fol. 17] ; Suggett's for an improvement in pumps for bored wells, [fol. 89,] and all Suggett claimed was the perforated pipe with pointed end, constructed as a drill and united with a pump, [fol. 91.] Mudge originally claimed Suggett's pipe and pump as well as the mode of sinking wells. He disclaimed the pump and pipe and obtained his patent for the new mode of sinking wells. On his original application for his old patent, Mudge asked for a patent covering "A" his mode of sinking Wells, and "B" the improvement patented to Suggett. His agent without authority, disclaimed "B" and the office granted him a patent covering "A." On the application for re-issue he asked for a patent covering "A" and "B". The interference was between this application for "A" and "B," Suggett's patent for "B" and Green's application. The office had nothing to do on this interference case with Mudge's original patent. So thought the Court on the trial, for it says: "The papers put in evidence show it was not the old patent, or the right under the old patent that was attempted to be re-issued." [Fol. 68.] Accordingly not one word is said in any of this documentary evidence with regard to interference about the old patent. A letter from the Patent Office dated June 27th, 1866, informs Mudge [fol 35,] that in these interference proceedings, "priority of invention has been decided in favor of James Suggett." How could such a decision which in no way touches "A" Mudge's mode of sinking wells, and which

adjudication is entirely upon the interference in regard to "B" in any way affect the old patent for "A." Mudge having disclaimed Suggett's patent there was certainly no interference between the old patent and that of Suggett, yet it is only upon the interference that any decision is rendered. The Office certainly does not decide priority of invention in favor of James Suggett, as to Mudge's rights under the old patent for Suggett's patent can by no possibility interfere with anything in the old patent of Mudge. Yet the Court says in its opinion, [fol's. 104, 105.].

"These decisions covered the whole invention claimed by Mudge, and the effect of them was to render his Letters Patent invalid and utterly worthless, except that he still had by statute the right to contest the matter by bill in equity. § 4915."

This section, §4915, referred to by the Court, is as follows: "Whenever a patent on application is refused, "either by the Commissioner of Patents or the Supreme "Court of the District of Columbia, upon appeal from "the Commissioner the applicant may have remedy by "bill in equity, and the Court having cognizance thereof, "on notice to adverse parties, and other due proceedings "had, may adjudge that such applicant is entitled accord-"ing to law to receive a patent for his invention, as speci-"fied in his claim, or for any part thereof, as the facts in "the case may appear, and such adjudication, if it be in "favor of the applicant, shall authorize the Commissioner "to issue such patent on the applicant filing in the Patent "Office a copy of the adjudication and otherwise comply-"ing with the requirements of the law. In all cases "where there is no opposing party a copy of the bill shall "be served on the Commissioner, and all the expense of "the proceeding shall be paid by the applicant, whether "the final decision is in his favor or not"

This is the bill in equity referred to in the judgment of the Court of Appeals as the only right surviving under the old patent.

Again the Court says, [fol. 111.] "It is conceeded "and the act of 1870 expressly declares,that cancellation "takes place upon re-issue. There was no re-issue but the "adjudication which intervened was as fatal to the original "patent as a re-issue, the latter would have been a valid "patent from that time, while the former destroyed the "old and all right to a new patent." And yet all the evidence in the case on the question of this fatal decision is to be found in a letter from the Commissioner, bearing date June 27th, 1866, [fol's. 35 and 36,] already referred to, which only says on this question, "the question of priority of invention has been decided in favor of James Suggett." A letter from Byron Mudge, Dec. 27th, 1866, which says,"the Examiners in chief reversed the decision of the Examiners in charge, awarding priority of invention to James Suggett, and order the re-issue of Letters Patent of Byron Mudge." A letter from the Commissioner dated August 21st, 1867, [fol. 43, page 25,] which says: "Upon appeal to the Commissioner of Patents * * * * * The question of priority of invention has been decided in favor of said "Suggett," and a letter from B. F. James, Examiner in charge, dated January 8, 1868, [fol. 43], which says: "You are hereby informed that the decision of the Commissioner of Patents has been affirmed by the Supreme Court of the District of Columbia in the matter of interference between the several applications and patents of Byron Mudge, James Suggett and N. W. Green, the patent of Suggett being sustained, and a patent awarded to said N. W. Green."

It is submitted that these letters are rather unsubstantial evidence with which to annihilate a patent.

2. *Whatever the decision of the Commissioner may have been or of the Judge of the Supreme Court of the District of Columbia, on appeal from the Commissioner, such decisions as a matter of law did not and could not in any way injuriously affect the old patent of Mudge.*

"The proceedings before the Commissioner of patents "and before the Judges on appeal are all initiatory; all "relating to the question whether a patent shall issue, "and cannot affect a patent already issued." *Pomeroy* vs. *Connison* [*App. Cas.*] *Cranch, Ch. J. D. C.* 1842) *Laws Dig., page* 138, § 6.

Prior to the act of 1836 a patentee beaten in the Patent Office on an interference case, had no right of appeal, for the courts said: "An appeal is given to a "disappointed applicant, because otherwise the decision "of the Commissioner would be conclusive against him. "It is not given to the patentee, because the decision is "not only not conclusive as to him, *but does not in any "manner affect his legal or equitable rights.*

Pomeroy *vs.* Connison, A. S., [App. Case] Cranch Ch. J., D. C., 1843.
Laws Digest, p. 135, § 3.

This decision followed.

Whipple vs. Renton, Munsell J., 1854.
Hopkins vs. Barnum, Munsell J., 1854.
Hingsley vs. Herritt, Munsell J., 1854.
Drake vs. Cunningham, Munsell J., 1855.
Laws, Digest, p. 135, § 5.

By §. 8, of the act of 1836, the right of appeal was given to the patentee. The rule of law with regard to the effect of decisions of the Commissioner was not changed.

By the act of 1793, interfering applications were to be passed upon by three arbitrators. In regard to this law Judge Story in Stearns vs. Barrett, 1 Mason, 173. 174, says: "If an arbitration had been actually perfected be- "tween the parties under the 9th section, the award or "decision of the arbitrators would have been final be- "tween the parties only so far, as respected the granting "of the patent. It would not have concluded the parties "from showing in the present suit, that it was obtained "upon false suggestions. It would not have concluded "them in an action for an infringement of the patent, "from asserting any defence allowed by the 6th section "of the act. The sole object of such an award is, to as- "certain who is prima facie entitled to the patent. But "when once obtained, the patent is liable to be repealed "or destroyed by precisely the same process as if it had "issued without objection."

There is but one question decided by the Patent Office which is *res adjudicata* as to the Patent Office itself, the party in whose favor the same is rendered or any other party, and that is a decision by the office that it will grant a patent. Such a decision is *res adjusticata* for the office only to the extent that the patent is granted. It can never reverse that decision. The decisions of the Commissioner *in granting patents* are, so far as he is concerned, judgments, and he cannot review, alter or reverse his own decisions; therefore it is that "after a "patent has issued, the jurisdiction of the Commissioner "is exhausted. He cannot cancel it, the only act he can "do with regard to it is to re-issue it."

Curtis on pat. Ed. of 1849, p. 532. Laws Dig. p. 150, §. 18.

Even in the case of a patent fraudulently obtained he can not cancel it; a suit must be brought in Court for its repeal.

Curtis on pat. Ed. of 1873, pp. 661 and 662. His decision is only *res adjusticata* for the Patent Office that the patent has been granted, it is not *res adjuticata* as to the validity of the patent when granted and he can render no decision as to the validity of any patent already granted. That question is *res adjuticata* for him the moment the patent is granted.

"Proceedings before the Commissioner of patents are "iniatiatory. The question is 'whether the patent shall "be granted, not whether it shall be vacated."

Perry vs. Connell, M. S. App. Case.
Cranch, Ch. J., D. C., 1847.
Laws Dig. p. 151, § 20.

"The hearing before the Commissioner of patents, on "an application for a patent, is informal and summary, "and not final. Gay vs. Cornell, 1 Blatch., 509."

The *grant* of the patent is the only matter *res adjuticata* and that only applies to the particular patent granted, it does not affect and has no judicial force as to any other patent.

"After a patent has issued the Commissioner has no "authority over it except to re-issue it and any decision "he may make in regard to it is, as the Courts say, "mere *brutum fulmen.*"

Curtis on pat. ed. of 1849, p. 532.

"The adjudications in the Patent office and on appeal "from the Commissioner are not *res adjudicata.* The "parties on these interference cases stand equal before "the law and the question of who has the valid patent "is still to be tried in the Courts." Whitman's patent laws, pp. 454, 475, pp. 20, 21, 461.

Mr. Justice Fisher says, [Whitman, p. 461]: "The "whole law on this subject of interference looks to noth "ing other than granting two patents for the same in- "vention. It is done every month almost, if not every "week, and neither party is concluded by the action of "the Court in granting a patent to the other, but each is "free to fight out his claim of priority before the "Courts."

"The hearing before the Commissioner, even after "appeal, is not final, even in the Patent Office." Judge Nelson, in *Gay* vs. *Cornell*, 1 *Blatch.*, 506.

It is only the *grant* of a patent that is *res adjudicata* even for the office. The refusal of a patent is not *res adjudicata.*

A decision of the Commissioner in refusing a patent, even when affirmed on appeal, is not final in the Patent Office—the same application may be renewed and a patent obtained notwithstanding such previous decision. Laws Digest, p. 147, § 39.

"The decision of the Patent Office is never final upon "the question of novelty or priority of invention."

Union Paper Bag Machine Co. vs. Crane, 1 Holmes, 430.

The decision by the Commissioner is not even admissible *prima facie* evidence in any suit on the patent,

against which the decision is rendered.

Atkinson vs. Bondman, M. S., Nelson J., N. Y., 1851.

Laws Digest, p. 666, § 3.

The patent acts expressly declare that "no opinion "or decision of an appeal from the Commissioner shall "preclude any person interested in favor or against the "validity of any patent which has been or may hereafter "be granted, from the right to contest the same in any "Court in any action in which it may come in question."

Act July 4th, 1836, chap. 357, § 12.
Act of 1839, chap. 88, § 11.
Act of 1852, chap. 107, § 1 and 2.

The law seems to be clear that Commissioner's decision in granting a patent is *res adjudicata* only as to the Commissioner himself. It does not bind any other party. Any other decision that he may make is not *res adjudicata* as to any one. The Court of Appeals has completely reversed these fundamental principles of patent law, and decided that he may reverse his decision in granting a patent, declare the invalidity of his former grant, and in so doing render a decision *res adjudicata* for himself and all the world.

3. *The application for re-issue, and refusal to grant the same did not cancel, annul or in any way injuriously affect Mudge's old patent.*

In Whitman's Patent Laws p. 580, the law is laid down as follows § 375. "*Surrender does not take affect* "*until the re-issue is granted.* No surrender is made un- "til the re-issue is granted. Until the re-issue is actually "issued from the office the original patent remains un-

"cancelled. It is usually deposited in the office with the "application as a guaranty that the application is made "in good faith and that if the office is willing to grant "the new patent, the old one shall be forthcoming. * "* * *The uniform practice has been to return the "original patent if a re-issue be finally refused.*. There "can be no doubt of the right of an applicant for re-"issue to abandon his application at any time and to de-"mand and receive his original patent. * * * It is "obvious that if the surrender does not take effect and "the patent remains uncancelled until the issue of the "amended patent the continuity is not broken."

Whitey ex Parte Commissioner's Decisions, 1869, p. 72.

"Prior to the re-issue what is called a surrender is "only a preliminary offer to that effect."

Forbes vs. Barstowe Stove Co., 2 Cliff., 379.

The oath of the applicant for re-issue does not therefore affect the patent, and is merely formal.

In his prayer for re-issue the applicant does not surrender his patent, he only prays "that he may be allow-"ed to surrender the same, and that new Letters Pat-"ent," etc., "may be issued to him."

Mudge's application, p. 13, fol. 24.
Whitman's Patent Laws, form 378, p. 582, Patent Office Rules.

"The surrender and re-issue are reciprocal, forming "together a single act, the one never occurring without "the other"

French vs. Rogers, 1 Fish., 133.
Laws, Digest, p. 614, § 29.

"The surrender and re-issue, no matter how often they "recur are reciprocal, each in consideration of the other, "and form together but a single act. If a re issue is in- "valid for want of authority to make it, the surrender is "ineffective for want of authority to accept it. In "Woodworth vs. Hall, 1 Woodbury and Minots 261 "Judge Woodbury says."

"But in cases like this if it should turn out on a clear "evidence that the new letters themselves had been "altered so as to be wholly void, a different and equally "difficult question would arise. It is this: It might be, "that the surrender of the original letters and of the ex- "tension of them so that all might be renewed in one "would become also void, and the party might then, per- "haps, be allowed to amend his bill and enjoin and re- "cover on the former Letters Patent, if the old specifica- "tion was not too defective for that purpose."

In Woodworth vs. Edwards, 3 Wood & Min., 127, the Court lays down the law as follows: "Because if "the renewal [re-issue] was not valid at all neither could "the surrender be valid which led to it; assuming the "ground of the respondent, that the old Letters "Patent surrendered was, and had been, pro- "nounced by the Judiciary good. The old letters "and the extension under them would be con- "sidered in full force, and good also, if the surrender was by mistake supposing new letters could be validly given instead of them, when they could not be, avoiding thus both the new letters and the surrender; all violators of the patent could be prosecuted under the old and valid patent in the old form, and with the old specifications as well as under new letters and new specifications." * * *

This was intimated in Woodworth vs. Stone and Woodworth vs. Hall 1 Woodbury and Minot,pp. 248 and 389.

An application for re-issue is made under § 13 of 1836, vol. 5, U. S. Stat. at Large, p. 122. In Moffat vs. Garr, 1 Black, 273, it was argued that there might be a surrender of a patent to the Commissioner not under § 13 of 1836. The Court decided by ignoring the argument that a surrender could only be made under this section. The Commissioner has, therefore, no power to accept a surrender beyond that conferred by this section.

§ 13 of the act of July 4th, 1836, [see vol. 5, U. S. Statutes at Large, p. 122], reads as follows:

"It shall be lawful for the Commissioner upon the "surrender to him of such patent and payment of the "further duty of Fifteen Dollars to cause a new patent "to be issued to the said inventor for the said invention "&c."

From this section it appears that surrender and reissue are concurrent acts, the one accompanying the other. Upon the surrender it becomes "lawful for the Com-"missioner to cause a new patent to be issued &c." If it is lawful for the Commissioner upon such surrender to cause a new patent to be issued, he is, in such a case, as a matter of duty, bound to issue such patent. In Dyson ex parte M. S. [app. cas.] D.C. 1860, Laws, Did. of pat. Laws, p. 663. Judge Dunlop gives construction to this portion of sec. 13. The Court says, "the words 'it shall "be lawful for the Commissioner, &c.' in sec. 13, act of "1836, are to be construed as mandatory and to be of "the same import as if the words had been 'it shall be "the duty of the Commissioner.' The true meaning is "the Commissioner is to have no discretion in the case "provided for in the section. When the case provided

"for arises, he is commanded to exercise the power "whether he thinks it just and right or not; he has no "discretion."

Sec. 13 of 1836, after providing "That upon surren- "der it shall be lawful," etc., continues and declares, "and the patent so re-issued shall have," etc., importing absolutely a re-issue in every case of surrender. Had there been any other intention, the language should have been "and the patent if re-issued when so surrendered," etc.

Though the Commissioner has no right to accept a surrender except under sec. 13 of 1836, he has always granted re-issues upon surrender, even when there was no law expressly conferring such power.

Laws, Digest, p. 612, sec 5, 6, 7, 4.
Grant vs. Raymond, 6 Peters, 242.

This section [§ 13] may be regarded as affirming the propriety of the usage which had obtained under the former laws.

French vs. Rogers, M. S. Pane, J. Pa. 1851.
Laws, Digest, p. 662, sec. 5.

The act of 1870, sec. 53, chap. 230, a revision of former laws, merely affirms the propriety of the old law when it declares that the surrender shall not take effect until the re-issue is granted, for the rest of the section is in substantially the same language as sec. 13, of 1836. The Commissioner of Patents *in granting patents* acts as a quasi-judicial officer.

Wilson vs. Barnum, 1 Wall, Jr., p. 340.
Laws Digest, p. 151, sec. 21.

His decision *in granting patents* are so far as he is concerned, judgments, and he cannot review, alter or reverse his own decisions *in granting patents.* Therefore it is that "after a patent has issued the jurisdiction "of the Commissioner is exhausted. He cannot cancel "it. The only act he can do with regard to it is to re-"issue it."

Curtis on Pat., Ed. of 1849, p. 532.
Laws Digest, p. 150, sec. 18.

Even in the case of a patent fraudulently obtained such patent cannot be surrendered.

Laws Digest, p. 612, sec. 11.

The Commissioner in such a case cannot cancel it. A suit must be brought in Court for its repeal.

Curtis on Pat., Ed. of 1873, pp. 661 and 662.

The Courts and text writers invariably speak of surrender and re-issue as concurrent and inseperable acts.

In Seymour vs. Osborne, 11 Wallace, 516, the Court says, p. 443. "When the Commissioner *accepts* a sur-"render of an original patent and grants a new patent, "etc.

In Woodworth vs. Stone, 3 Story, 753, Judge Story says: "I have already in another case had occasion to "decide that where the Commissioner of Patents accepts "a surrender of an old patent, and grants a new one." Similar language is used in the following authorities.

Curtis on pat. p. 365, sec. 285, sec. 282b.
O'Reiley vs. Morse, 15 How. 112.
Wilson vs. Rosseber, 4 How. 688.
Laws, Dig. p. 612, sec. 10.

Applications for surrender and re-issue are probably almost as frequent as original applications for patents.

Hardly an important and complicated patent has been granted upon which there has not been a subsequent application for a re-issue. Parties sometimes apply for re-issue upon patents which have been declared valid by the Courts. The validity of the famous Woodworth patent had been established in Massachusetts and Ohio, [see Brooks vs. Bickwell 3 McLean, 250. Woodworth vs. Sherman 3 Story, 171. Washburn vs. Gould, 3 Story, 122,] and yet the patent was afterwards re-issued, [Woodworth vs. Stone, 3 Story 751. Woodworth vs. Edwards, 3 Wood & Min, 136, et seq.]

Is it possible that the applicant for re-issue upon that patent, which had been declared a good patent by the Courts was in danger of loosing his valid patent upon such application if he had not succeeded in getting a re-issue? Could the office have replied to his application, "you are informed that your application for a re-issue "has been examined. There is no defect in your patent. "It is not inoperative or invalid in any respect. Your "application is therefore rejected and your patent can-"celled." Morse obtained four surrenders and re-issues on his telegraph. Did Morse after obtaining a patent venture with his valuable invention into such a trap as the defendant's law would make of the patent office? No If such were the law it would be placed at the head of every chapter on surrender and re-issue in every work on patent law published, to warn patentees of the dangers they would incur by venturing into the Patent Office with valuable patents on such hazardous applications. Yet not one single text-writer has so laid down the law or even hinted at such a doctrine. In Forbes vs. Barstowe,Stove Co., 2 Cliff, 379, defendant's counsel

cited Moffat vs. Garr in his brief, p. 384, but the Court delivered an opinion deciding the case in favor of the plaintiff without even mentioning Moffat vs. Garr, although it would have been directly in point for the defendant had it been an authority for the doctrine contended for here.

The suit was brought for the infringement of a patent. Pending the suit an application on the patent was made for surrender and re-issue. The defendant made a motion to dismiss the complaint upon the ground that since the beginning of the suit, the patent upon which the same was brought had been surrendered up for re issue. The plaintiffs in opposition to the motion showed that they still had the original letters in their possession, and that having made an application for surrender and re-issue they had withdrawn it.

The Court—Clifford J., says p. 385. "The evidence "disclosed in the record does not show that the patent "on which the suit was brought, ever was surrendered "and re-issued after the bill of complaint was filed in the "case. On the contrary the proofs are full to the point "that the application for surrender and re-issue, bearing "date on the 13th of November, 1862, never was carried "into full effect but the application was duly cancelled, "and the papers relating to the same were accordingly re-"turned to the applicant. The application for surrender "and re-issue was unquestionably made by the patentee "at the time alleged in the motion, and it is also fully "proved that the application was favorably received by "the proper officers of the bureau, but it is equally clear "that the proceedings were never entirely completed. "* * * It is a mistake to suppose that the application "may not be withdrawn under leave of the Commis-"sioner for good cause shown, at any time before the

"proceedings are fully completed and duly recorded. "The re-issued Letters Patent, as a general rule, have "the effect to supercede the original patent but a pend- "ing application for that purpose cannot receive any "such construction, no matter how nearly the proceed- "ings may have approached a consummation so long as "they are not fully completed. Prior to the issuing of "the new patent what is called a surrender in the case is "in general nothing more than a preliminary offer to "that effect, &c."

The case of Moffat vs. Garr, 1 Black, 273, is in perfect harmony with every case, authority and principle hereinbefore laid down. The plaintiff demurred to the answer of the defendant, alleging in general terms that since the commencement of the suit the plaintiff had surrendered his patent. The Court overruled the demurrer. It was argued by plaintiff's counsel in that case that there might be a surrender not under sec. 13 of 1836. [see brief, p. 274,] but the Court decided that pleading a surrender in general terms was pleading a surrender under sec. 13. Surrender and re-issue being, as has been shown, one act, the plaintiff by his demurrer admitting a surrender, admitted the granting of a re-issue, because "surrender does not take effect until the re- "issue is granted." The counsel for the respective parties speak of the surrender as a surrender and re-issue, counsel for the plaintiff contending "that surrender and "re-issue do not vacate the original patent," [pp. 276 and 277.] Counsel for the defendant, "that from the date "of the surrender and re-issue there is only one patent "in esse, for there cannot be two patents for the same "invention existing at the same time." Also arguing "as follows: [p. 279.] "In the case at bar the plain- "tiff counts upon a cause of action which accrued prior "to the surrender, but the only rights which survive the

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"surrender, survive alone by virtue of the new patent, "consequently if the new patent does not sustain the "pending action, the old one cannot have that effect." The sec. 13 expressly provides that the new patent shall only sustain causes of action "subsequently accruing" to the re-issue. Both counsel assume that the re-issue had been granted. The Court takes the same view, and only decides that surrender and re-issue under section 13 constitute a cancellation of the original patent. The plaintiff's prayer for a surrender and re issue of his patent had been granted ; he had not withdrawn his application ; it had not been rejected, but with an application for the surrender and re-issue of his patent in the office, with his original patent deposited in the office under that prayer, with the adjudication of the office granting the application entered of record in the Patent Office, constituting his application for surrender and re-issue a matter *res adjudicata*, as a granted application, he came into Court without the patent upon which he sued, and asked to recover upon that old patent which stood upon the records of the office as a surrendered and re-issued patent. That is, his prayer for surrender and re-issue had been granted, and he had only failed to take out the re-issued Letters Patent to which alone he stood entitled on the records of the office.

The question seems to have been whether having obtained a favorable decision granting the re-issue, yet having failed to take out the re-issued patent, the plaintiff could still recover under the old patent. Whether in effect the decision on the application for surrender and re-issue was *res adjudicata* for the office, and whether until the issue of the new patent, a cause of action begun under the old patent before the surrender could be sustained notwithstanding the grant of re-issue. For Nelson says: "Now the point is, whether or not the

"patentee may maintain a suit on the surrendered patent "instituted before the surrender, if he has not availed "himself of the whole of the provision and taken out a "re-issue of his patent with amended specification." His re-issue had been granted [this constituted the surrender of his patent], but he had not availed himself of the whole provision, and taken out a re-issue of his patent with amended specification. This decision in effect only decides what the plaintiff herin contends, that the Commissioner cannot review, alter or reverse his own decision *in granting patents.* That having granted the re-issue, his jurisdiction was exhausted, and that he could not cancel this decision granting the re-issue any more than he could cancel the original patent in any way except by granting a re-issue, and that after the grant of re issue the old patent is in every respect dead.

In Forbes vs. Barstowe Stove Company, already quoted, the Court says by Clifford J , p. 385, that " the "re-issued Letters Patent as a general rule have the "effect to supersede the original patent, but a pending "application for that purpose cannot receive any such "construction, no matter how nearly the proceedings "may have approached a consummation, so long as they " are not fully completed." In the case of Moffat vs. Garr the opinion of Judge Nelson shows that the application was no longer a pending application, it was a granted application. Again, the Court, in Forbes vs. Barstowe Stove Company, says, [p. 385,] "It is a mis- "take to suppose that the application may not be with- "drawn under leave of the Commissioner for good cause "shown at any time before the proceedings are fully "completed and duly recorded." But in Moffat vs. Garr the plaintiff's application having been granted he no longer had an application for surrender and re-issue to withdraw. His application was fully completed and

duly recorded as a granted application. He could no more withdraw his application after it was granted than could a plaintiff discontinue his action after verdict and before judgment. His application was *res adjudicata*, as a granted application. This doctrine of Forbes vs. Barstowe Stove company is in harmony with Whitman's Pat. Laws, p. 580, sec. 375, where the doctrine is laid down that "Surrender does not take effect until the re-"issue is granted." Judge Nelson must have known that the Commissioner could not grant the prayer for surrender and arbitrarily refuse the re-issue, [see Dyson *ex parte* Laws, Digest, p. 663, already cited), but that the granting of the re-issue constituted the surrender, although in this case the applicant "had not availed "himself of the whole of the provision, and taken out a "re-issue of his patent," to which he stood entitled on the records of the office. The Judge, therefore, knew that he had under consideration a patent which stood upon the records of the office as one upon which a re-issue had been granted. The following language of the Judge in any other view than that pleading surrender is pleading the grant of a re-issue, and that the Judge so understood, has no bearing upon the case, and is absurd:

"The re-issue of the patent has no connection with or "bearing upon the antecedent suits; it has as to subse-"quent suits; the antecedent suits depended upon the "patent existing at the time they were commenced, and "unless it exists and is in force at the time of the trial "and judgment, the suits fail." This language of the Judge affirms the doctrine of defendant's counsel in Moffat vs. Garr, already cited, "that the only rights which "survive the surrender survive alone by virtue of the "new patent," and denies the doctrine of plaintiff's counsel in that case, "that surrender and re-issue do not va-"cate the original patent"—counsel for the respective

parties and the Judge all assuming the grant of a re-issue. Throughout his opinion the Judge uses the word surrender and the word re-issue interchangeably as synonymous terms to express one and the same thing, *i. e.* surrender and re-issue. This manner of speaking is not unusual with Judge Nelson; he calls a re-issued patent a surrendered patent in referring to rights under the old and new patent, without saying a word about the re-issue.

Gibson vs. Richards, Index Pat. Dec., No. 376.
Laws, Digest, Pat. Laws, p. 106, sec. 17.
Laws, Digest, Pat. Laws, p. 625, sec. 2.

Again, the Court in Moffat vs. Garr says: "The con-"struction given to this section, and the practice under "it, in case of surrender and re issue, are that pending "suits fall with the surrender. A surrender of the pat-"ent within sense of the provision means an act which in "judgment of law extinguishes the patent." What is the sense of the provision? That upon surrender it shall be lawful, and as has been shown it is the duty of the Commissioner to cause a new patent to issue, which new patent "shall have the same effect and operation in law "for causes subsequently accruing as if the same had "been originally issued in place of the original patent." It is the grant of the new patent which, in the judgment of law constitutes the surrender and extinguishes the first. Hence it is that Judge Clifford says, 2 Cliff., 385, "The re-issued letters patent as a general rule have the "effect to supersede the original patent;" and Whitman, p. 580, "until the re-issue is actually re-issued from the "office the original patent remains uncancelled," at the "same time declaring, "no surrender is made until the "re-issue is granted."

The language of the Court below, in the case of Mof-

fat vs. Garr, shows that it was not the application for re-issue, whether successful or not, which constituted the surrender of the patent, but it was the correcting of the old patent by obtaining the new which cancelled the old.

Laws, Digest, p. 616, sec. 48, 49.

The "proceeding" cancels the patent. The applicant having obtained a re-issue on the ground that his old patent was invalid, could not hold his new patent obtained by such admission, and at the same time sue on his old patent, claiming their validity. He would be estopped to deny the invalidity under such circumstances. But there could be no estoppel where the office granted him nothing on his preliminary offer and admission.

Forbes vs. Barstowe Stove Co., 2 Cliff., 379.
Woodworth vs. Edwards, 3 Wood and Min., 127.
Woodworth vs. Hall, 1 Wood and Min., 261,

Already cited, show that no estoppel takes place unless the office grants something on the admission.

The affidavit of Mudge attached to his prayer for re-issue could not affect the validity of this patent, and is not even evidence of its validity.

Bush vs. Hewett, 4 N. Y. Legal Observer, 384.
Moore vs. Hitchcock, 4 Wend., 292.

Curtis evidently has the understanding of Moffat vs. Garr contended for here. He says [Curtis on Pat. last ed., p. 536, sec. 399]: "The defendant may plead "specially in bar that since the action was instituted the "plaintiff has surrendered his Letters Patent and ob-"tained a re-issue," and then quotes Moffat vs. Garr, 1 Black, 273.

The Patent Office rules, [see rules of 1863, p. 18, sec. 52], which were in force when Mudge made his application, provide: "But in all such cases [applications for "re issue], after the action of the Patent Office has "been made known to the applicant, if he prefers the "patent originally granted to that which will be allowed "by the decision of the office, he has the privilege of "abandoning the latter and retaining the old patent."

4. *Mudge's old patent was returned to him "the same "as it was before it was surrendered."*

The Court on the trial held that the only question in the case was "whether the patent in question was re- "turned the same as it was before it was surrendered."

The Court held the contracts were ambiguous, and refused to admit any testimony as to what the parties understood as to the character of the patent. [Fol. 61.]

The Court refused to show that the words "return of "the patent" meant anything but return of the old Letters Patent, [fol. 63], for this reason: Although defendant had sworn that he knew about this interference before the original contracts were made, the Court held that it was immaterial. [Fol. 81.]

The Court of Appeals argues that the decision of the Patent Office might not only invalidate the original patent, but that a decision by the office might add something to its original character. The Court asks "why should "Peck desire to be released from his obligation, and why "should the consideration paid be restored to the defen- "dant." This question renders a statement of the facts which led to the making of the contracts necessary. When the original contracts were made the interference

proceedings had been pending for a month or more, testimony had been taken thereon for a number of days, and defendant understood Suggett's and Green's claims, [fol. 65.] Defendant was a rich man, the Peck's were comparitively poor. Defendant bought the old patent knowing that he bought a disputed right, but understanding the law to be that if the parties were beaten on the interference proceedings, such a decision would not kill the old patent. Just before the contracts upon which plaintiff sues were made, plaintiff was informed that by a recent decision of the U. S. Court, [probably Moffat vs. Garr,"] it was a question whether if the patentee did not get his re-issue the old patent would be returned. Such a result would have been contrary to the understanding with which defendant bought. Plaintiff therefore, although defendant had no legal claim on him voluntarily restored the consideration of the original contracts, and accepted the two latter contracts in consideration of such restoration. The two original contracts provided that a deed should be given when required. A deed was not given at the time of the execution of the contracts for the reason that the parties understood that if a re-issue was obtained, another deed would have to be given to invest defendant with legal rights under the new patent [This is the law.

Laws, Dig. 625, sec. 2.]

It will be seen that the foregoing statement is in harmony with every clause of the contracts.

The decision of the law of this case therefore decides, and righteously decides, the justice of it. There never has been any question as to the return of the Letters Patent, and with a correct understanding of the law

there is no doubt but that they were legally and regularly returned.

5. The judgment of the Court of Appeals should be reversed with costs.

A. D. WALES.

Counsel for Appellant.

JURISDICTION.

This Court has jurisdiction to review the decisions of the Court below in this case.

First, It appears by the directions given by the Court and stated in the exceptions,

Armstrong vs. Treasurer, 16 Peters, 281.
Smith vs. Hunter, 7 How., 743, 744.

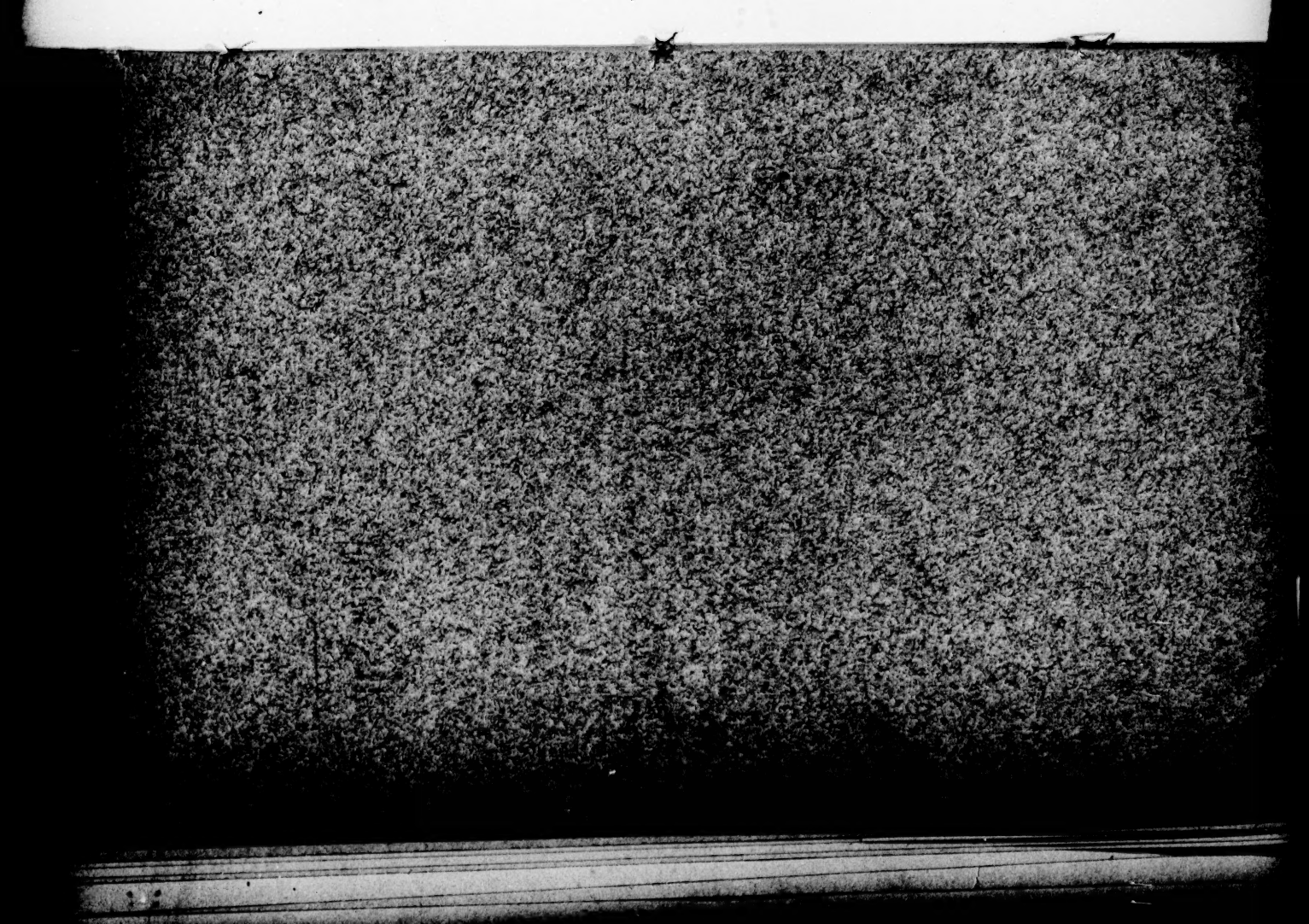
that decisions of the Judge on the trial was against the existence of the patent of Byron Mudge, upon the existence of which the plaintiff sought to recover.

Second, The judgment of the Court of Appeals is against the existence and validity of said patent.

Crownell vs. Randall, 10 Peters, 368.
Nelson vs. Logan, 7 How., 772.
Buchanan vs. Alexander, 4 How., 20.
Collier vs. Stanbrough, 6 How., 14.
Clement vs. Berry, 11 How., 398.
Keith vs. Clark, 97 U. S., 7 Otto, 454.
Murray vs. Charleston, 96 U. S., 6 Otto, 442.

A non-suit may be reviewed by writ of error.

Box vs. Bennett, 1 Henry Black 432.
Evans vs. Sweet, 2 Bing, 326.
Mer vs. Hopkins, 2 Dowling & Ryland, 208



OFFICE SUPREME COURT U.S.
FILED
DEC 20 1880
JAMES H. McKENNEY, Clerk.

IN THE

U. S. SUPREME COURT.

REED PECK, as Administrator, &c., of George W. Peck, deceased, Plaintiff in Error,

AGAINST

TRUMAN D. COLLINS,

Defendant, in Error.

POINTS FOR DEFENDANT IN ERROR.

This is writ of error to the Court of Appeals of the State of New York, to re-examine a judgment affirming a judgment of the General Term of the Third Department, which affirmed the judgment of a Special Term, with costs, $70.42. (Folio 97.) The Special Term judgment was entered upon a *nonsuit*, granted at the Circuit Court of the State, upon the trial, and was entered upon an order of the Special Term denying a motion for a new trial.

STATEMENT.

Plaintiff's sole cause of action was the two contracts set forth in the complaint. (Folios 9 to 12.)

The sole consideration of those contracts was Mudge's patent. And those contracts *assumed* both the *invalidity* of the patent and the *necessity* of a re-issue.

The contracts also provided *against* an *adverse* decision in the interference proceedings; in ignorance of which, two former contracts had been made, and this was the purpose of the contracts, to wit: To make the plaintiff's right to the money depend upon a decision in Mudge's favor, a condition precedent, and to release Peck from the contracts if that decision was adverse to the patent.

Plaintiff rested his case on the two contracts only.

Defendant's evidence was:

1. The file wrapper and contents of the proceedings; to surrender the patent; the declared interference between Mudge's patent and Suggett's patent; and Green's application for a patent, which interference was declared at Mudge's request. (Folios 24 to 45.)

2. The file wrapper and contents of the proceedings in said interference proceedings, by which it affirmatively appears that the decision in the interference proceedings were adverse to Mudge's patent. (Folios 45 to 57. See folios 36, 43.)

Point I.

The nonsuit was fully justified because—

1. The patent (which was the sole consideration of defendant's promise to pay the money claimed) was inoperative and invalid by reason of a defective specification. (Folio 24.)

2. The contracts absolutely fixed the status of the patent on the question of *surrender* by reciting that "the letters patent have been surrendered," (folio 9,) and besides, the statute, Section , U. S. Revised Statutes, permits a surrender only when the patent is inoperative and invalid. The contracts therefore absolutely impose upon the plaintiff the necessity of a re-issue, and as a necessary step to obtain that re-issue a *decision* in favor of Mudge in the then pending interference proceedings.

Moffat vs. Garr. 1 *Black*, 273.

Point II.

The State Court interpreted the contracts sued upon as an undertaking on the part of plaintiff that the decision in the interference proceedings should be in favor of Mudge's patent, and should *not be adverse thereto.* Thus giving a force to the decision in those proceedings not depending alone upon any inherent force of the decision as affecting the patent, but making the validity of the contracts depend upon the decision by the express terms of the contract. This interpretation was based upon ample evidence contained in the recitals in the contracts; the pendency of the proceedings; the ignorance under which the former contracts were executed, and the danger to Mudge's pending application by reason of the pending contest between him and Suggett and Green. (Folios 1 to 9, 100 to 113.)

Point III.

This Court have no jurisdiction to re-examine a nonsuit on a writ of error.

Evans vs. Phillips. 4 *Whaton,* 73.

Point IV.

But the decision of the State Court does not present a *federal question,* because a patent is neither a constitution statute, or authority exercised under the United States. The common law right of the patentee to make, use and vend his improvement, is not conferred by the patent by way of authority, but only by way of prohibition to others. Others are prevented, and from that prohibition the benefit to the patentee arises.

Point V.

The incidental protection which the patent laws afford to the patent, and which a valid patent would have afforded to the con-

tracts, do not afford the Plaintiff any aid in this case, because if it should be conceded that the patent is an authority exercised under the United States. Still, neither the patent, nor the patent laws, are specially set up by the plaintiff in this action. This question is expressly decided by this Court in Worthy vs. The Commissioners. (9 Wallace, 611, 613.)

Point VI.

But the decision of the State Court does not go so far as to decide *against* the validity of the patent as a patent, or against the validity of the patent laws, but only as to the effect of the adverse decision, and the surrender recited.

This effect is not placed by the State Court upon any inherent force of the decision, or upon the effect of an attempted surrender, but solely upon that interpretation of the contracts which assumes a surrender and requires a favorable decision. Thus the question decided by the State Court becomes one of interpretation based upon principles of general law.

Point VII.

The right or title which the plaintiff specially set up, upon which he based his sole right to recover the money claimed, was the private contracts, and it may be suggested that, if his right to recover in the action depended upon the validity of his patent, or upon the validity of the patent laws as a necessary averment, then the State Court had no jurisdiction of the action, as these are questions expressly reserved to the United States Courts.

57 *N. Y., Rep.* 119.
66 *N. Y., Rep.* 459.

The only case in which a State Court can inquire into the validity of a patent, is upon the question of consideration or no consideration, and then only collaterally by way of evidence. When the question becomes patent or no patent, so that the judgment will determine the question of patent or no patent, or the right under it one way or the other, the case becomes one in which the State Courts have no jurisdiction.

57 *Barb.*
57 *N. Y.*, 119.
66 *N. Y.*, 459.

Point VIII.

There is no jurisdiction in this cause.

1. The sole claim to jurisdiction is based upon the proposition contained in the certificate of the Chief Justice of the Court of Appeals, in the following words, to wit:

"That the decision of this Court was and is against the existence and validity of a patent, * * in which patent the plaintiff had an interest, and set the same up, and claimed under the same, under said patent laws." (Fol. 113.)

2. This proposition must be read in the light of the remainder of the certificate, as well as in the light of the whole record, (4 Wallace, 177,) and when so read it clearly appeares. 1st That the decision against the validity of the patent, was based solely upon the *effect* of an *adverse decision* in the interferene proceedings—not upon any adverse construction of the patent laws, nor upon any decision against their validity, but solely upon the construction of the *contracts* upon which the action was founded, to wit: upon the condition precedent, that said decision in the interference proceedings should not be adverse; hence, the language of the certificate is, "and the *adjudications* invalidated the same;" (folio 115;) that is, invalidated the contracts.

3. It also clearly appears from the complaint as well as from the certificate, that the only claim specially set up was the claim to the money, the $3,500 and interest, *under the contracts*, upon which the suit is founded, but this claim was not specially set up *under the patent laws*, nor even under the *patent*, but solely under the contracts.

The judgment of the State Court should be affirmed with costs.

M. M. WATERS,
Attorney for Defendant.